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FAA-00-7018

DEPT. OF TRANSPORTATION

**Summary of Meeting of November 12, 1998 with European Charter Carrier;;
and their Representatives**

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Participants:

Mike Smith, Monarch Airlines
Nikola Leeman, Airtours International
Charles Hughes, Condor
Prad Lukka, Air 2000
Bill Clark, Britannia
John Denman, International Air Carrier Association
Barry Valentine, Consultant
Tim Lawler, FAA
Dr. Harold (Woody) Davis, FAA
Randall Fiertz, FAA
LeeAnn Moore, FAA

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CHIEF COUNSEL
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Location:

The meeting was held at FAA Headquarters in Washington DC in the ABA Conference Room (room 1040W). The meeting was held at the request of the charter carriers and their representatives.

Points Made by the Charter Carriers and their Representatives:

- 1) Tour operators need to plan a year in advance because there is a legal requirement that, once prices are published, they cannot be changed. They have suggested either long lead times before the fees are implemented or to be exempted for a period of time because they cannot pass these costs on to their customers once ticket prices have been published. Therefore, the charter carriers requested that overflight fees not be implemented for them until April 1, 2000.
- 2) Profit margins on tour flights are thin, with one operator estimating that his company earns no more than about \$5 in profits per seat.
- 3) The charter carriers suggested that overflights should be charged only for costs that are incurred in servicing overflights, (i.e., only costs for the 21 ATC Enroute Control Centers and 4 Oceanic Centers serving overflights.)
- 4) Total costs for those ATC Centers should be divided by the total volume of traffic controlled by those Centers to arrive at a unit cost per flight.
- 5) The charter carriers asked for greater detail on the invoices, such as entry and exit points, to help the carriers confirm their trips.

Randall S. Fiertz